



## U.S. Department of Justice

*Executive Office for United States Trustees*

For Immediate Release

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### **'OPERATION SILVER SCREEN' TARGETS BANKRUPTCY FRAUD THROUGHOUT THE UNITED STATES**

WASHINGTON, D.C.—United States Attorneys have filed criminal charges against 21 individuals in 11 different districts on a variety of federal bankruptcy fraud counts, it was announced today by Lawrence Friedman, Director of the Executive Office for United States Trustees. The announcement is the culmination of “Operation SILVER SCREEN” and follows today’s announcement, by United States Attorney Patrick Fitzgerald of the Northern District of Illinois, that former trading and investment firm executive Marc Thompson, age 52, of Chicago, has been indicted for bankruptcy fraud, wire fraud, money laundering, and using a fire to commit wire fraud, and Chicago police officer Deborah A. Ahmad Bey, age 45, has been indicted for making false declarations in bankruptcy.

Operation SILVER SCREEN spotlights the indictment of 21 individuals in 17 separate prosecutions and demonstrates the breadth of enforcement actions taken by the Department of Justice in combating bankruptcy fraud and protecting the integrity of the bankruptcy system. These cases collectively involve: the concealment of more than \$7 million in assets; illegal conduct by an attorney and a certified public accountant; use of false Social Security numbers and false identities; submission of forged documents; false statements; and various fraudulent acts.

The combined group of cases is dubbed “Operation SILVER SCREEN” in recognition of the U.S. Trustee Program’s enhanced screening of bankruptcy cases to identify fraud and abuse. The U.S. Trustee Program is a Justice Department component that protects the integrity of the bankruptcy system by overseeing case administration and litigating to enforce the bankruptcy laws. It was created by Congress in October 1979 as a pilot program in 18 judicial districts, and was expanded in 1986 to all judicial districts except those in Alabama and North Carolina.

“Operation SILVER SCREEN has targeted a wide range of criminal conduct that strikes at the integrity of the bankruptcy courts and undermines public trust in the bankruptcy process,” Friedman stated. “The prosecutions announced today demonstrate that the Department of Justice is committed to detecting, investigating, and prosecuting those who violate our bankruptcy laws in a variety of ways. Criminal abuses and schemes will not be tolerated in our bankruptcy system. The U.S. Trustee Program is working with law enforcement agencies throughout the country to ensure this result.”

“I wish to express my sincere appreciation for the strong enforcement actions taken by the U.S.

Attorneys' offices, as well as the cooperative efforts of federal and state agencies including: the Justice Department's Federal Bureau of Investigation and Bureau of Alcohol, Tobacco, Firearms and Explosives; the Social Security Administration Office of the Inspector General; Internal Revenue Service Criminal Investigations; the Department of Housing and Urban Development Office of the Inspector General; the U.S. Postal Inspection Service; the Department of Labor Office of the Inspector General; the Department of Homeland Security Immigration and Customs Enforcement; the Department of Health and Human Services Office of the Inspector General; and the California Labor and Workforce Development Agency's Employment Development Department," Friedman added.

"Operation Silver Screen sends a strong message that bankruptcy fraud of all types will not be tolerated, and will be vigorously investigated and prosecuted," stated Richard E. Byrne, Chief of the U.S. Trustee Program's Criminal Enforcement Unit. "The array of conduct charged not only threatens the integrity of the bankruptcy system, but also wastes the resources of the federal bankruptcy courts. The U.S. Trustee Program is committed to assisting United States Attorneys' offices and law enforcement agencies from around the country as they fight bankruptcy fraud and abuse."

The charges contained in an indictment, information, or criminal complaint are merely allegations, and the defendant is presumed innocent unless and until proven guilty beyond a reasonable doubt.

The charges in all cases are summarized in the attachment to this release.

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## **‘Operation SILVER SCREEN’ Case Summaries**

**Marc Thompson**, age 52, of **Chicago**, a former trading and investment firm executive, was indicted on October 28 in the **Northern District of Illinois** on multiple counts of bankruptcy fraud, wire fraud, and money laundering, and one count of using a fire to commit wire fraud. The indictment alleged that in 2002 Thompson intentionally set fire to his residence to obtain insurance money and made it appear as if the fire were set by his elderly mother, who died in the fire. The indictment also alleged that Thompson concealed significant assets when he filed bankruptcy in 2003, including an off-shore account containing more than \$300,000.

**Deborah A. Ahmad Bey**, age 45, of **Chicago**, was indicted on October 28 in the **Northern District of Illinois** on charges of making false declarations in two bankruptcy cases she filed. In her 1999 case, the defendant, a Chicago police officer, allegedly failed to disclose assets, including checking and savings accounts, a transfer of real property, and income from that property, and failed to disclose her position as an officer and managing director of a company. In her 2003 case, she allegedly failed to disclose checking and savings accounts, her position as an officer and managing director of a company, and income received from other employment.

**Robert McCaffrey**, age 54, of **West Chester, Pa.**, was charged with one count of bankruptcy fraud on October 28 in the **Eastern District of Pennsylvania**. The criminal information alleged that McCaffrey devised a scheme to defraud and, in connection with that scheme, submitted a false bankruptcy petition to a local sheriff’s office to delay repossession of his vehicle. Subsequently, he allegedly filed Chapter 13 bankruptcy but failed to disclose nine prior bankruptcy filings. After that filing, to obtain reinstatement of a credit card, he allegedly sent the credit card company a forged letter that purported to be from the bankruptcy judge and falsely stated he did not have a bankruptcy case pending. After McCaffrey was barred from refile bankruptcy without court approval, he allegedly filed bankruptcy using his son’s name and Social Security number.

**Robert L. Conwell**, age 47, of **Liberty, Utah**, was indicted on October 27 in the **District of Utah** on charges of concealing assets, transferring assets in contemplation of bankruptcy, false oaths, and false declarations. When he filed bankruptcy, Conwell allegedly concealed assets including several firearms, a car, a snowmobile, and a tax refund.

**Michael B. Cummings**, age 33, and **Laura Rees Cummings**, age 27, both of **Centerville, Utah**, were indicted on October 27 in the **District of Utah** on charges of concealing an asset, transferring an asset, making false oaths, and making a false declaration in their bankruptcy case. Prior to filing bankruptcy, the defendants allegedly transferred \$16,000 to an acquaintance to hold on their behalf. When they filed bankruptcy, the defendants allegedly concealed the transfer of the money and their rights to get the money back.

**John H. Wilcher**, age 46, of **Wilmington, Del.**, was indicted October 26 in the **District of Delaware** on charges of using a false Social Security number and making a false statement on his bankruptcy petition. Wilcher allegedly filed Chapter 13 bankruptcy using a false SSN.

**James Michael Frantz**, age 58, of **Findlay, Ohio**, was charged in the **Northern District of Ohio** on October 12 with bankruptcy fraud, health care fraud, and tax evasion. Frantz allegedly engaged in a scheme to defraud health insurers by failing to disclose his ownership of Medi-Care Orthopedic & Hospital Equipment, submitting false Certificates of Medical Necessity for wheelchairs, and submitting bills for wheelchairs never delivered. When Frantz placed the company in bankruptcy, he allegedly used bankruptcy estate funds to pay for his condominium renovation. He also allegedly evaded over \$79,000 in federal income taxes by failing to report that the company paid more than \$282,000 for his personal expenses including credit card bills, condo renovations, boat repairs, and yacht club dues.

**Sabrina Asquith**, age 40, of **Abington, Pa.**, was charged in the **Eastern District of Pennsylvania** in an indictment unsealed on October 4 with making false statements in a loan application to obtain an FHA-insured mortgage, using a false Social Security number, and making a false statement in bankruptcy. Asquith allegedly obtained a \$119,939 mortgage loan using the name and SSN of her infant daughter, submitting false documentation to make it appear as if the daughter were an employed adult. Later, she filed Chapter 13 bankruptcy allegedly using the daughter's name and SSN.

**Jimmy Quan** (Toha Quan), age 44, **Anna Wong** (Ann You Nor Wong), age 41, and **Jenny Wong** (Jenny Yee Nor Wong), age 39, all of **San Francisco**, were indicted September 30 in the **Northern District of California** on multiple charges stemming from an alleged scheme to defraud the bankruptcy court and the creditors of two garment businesses and one property management business that filed Chapter 11 bankruptcy. The defendants allegedly concealed more than \$2 million in property, checks, and real estate belonging to the debtor companies' bankruptcy estates, and diverted approximately \$4.7 million in revenues from one of the companies. Anna Wong and Jimmy Quan were charged with eight counts of bankruptcy fraud, six counts of false record entry, two counts of false declaration, 14 counts of concealment of assets, and five counts of money laundering. Jenny Wong was indicted on eight counts of bankruptcy fraud, one count of false declaration, and 10 counts of concealment of assets.

**Cassandra Seay**, age 53, of **Chicago**, was charged on September 29 in the **Northern District of Illinois** with making a false declaration in her bankruptcy case by claiming she did not own a car when she actually owned a Lexus automobile. Seay allegedly sold her home after giving the mortgage lender a forged document that resulted in the dismissal of a foreclosure action against her property. She allegedly used some of the sale proceeds to buy the Lexus.

**Deborah Nettles**, age 38, of **Cleveland**, was indicted on September 29 in the **Northern**

**District of Ohio** for creating and negotiating 13 counterfeit checks, totaling approximately \$6,490, that were purportedly issued by a Chapter 11 bankruptcy trustee.

**Cornel George**, age 40, of **Gresham, Ore.**, was indicted on September 23 in the **District of Oregon** on one count of concealment and one count of false oath. After two of George's acquaintances filed bankruptcy, they asked him to sell their Jaguar, which was property of the bankruptcy estate. George allegedly sold the car for approximately \$20,000, but secretly kept \$12,500 for himself, converting bankruptcy estate property to his own use.

**Kevin Allen**, age 37, of **South Greenfield, Mo.**, was indicted on September 22 in the **Northern District of Indiana** on charges that he forged a court order and gave it to his employer. The forged court order purported to release an actual court order that allowed the trustee in Allen's Chapter 13 bankruptcy case to garnishee his wages.

**William Miller**, age 54, of **Ogden, Utah**, was indicted on September 15 in the **District of Utah** on two counts of concealment of assets and five counts of false bankruptcy declarations. Miller was charged with concealing real property in Switzerland, 40 acres of real property in Utah, antiques, collectibles, and sports memorabilia in his Chapter 13 bankruptcy case.

**Carol Ann Teegarden**, a/k/a Annie Teegarden, age 29, of **Florence, Ky.**, was indicted on September 15 in the **Southern District of Ohio** on six counts of bankruptcy fraud and one count of witness tampering for her attempts to stop a utility company from collecting delinquent payments. The indictment alleged that on five occasions Teegarden sent false documents to the utility claiming that she and four other individuals had filed bankruptcy although no cases were actually filed. Teegarden allegedly listed herself as attorney for the purported debtors, but she is not an attorney.

**Gregory Wayne Ginn**, age 44, and **Waylon E. McCullen**, age 58, both of Dallas, were indicted on August 24 in the **Northern District of Texas** on charges including concealment and transfer of assets, aiding and abetting, false statement, and conspiracy to commit bankruptcy fraud. Ginn, a certified public accountant, was appointed to carry out the reorganization plan of a company in Chapter 11 bankruptcy. The indictment alleged that Ginn transferred \$300,000 of the company's assets to his friend and local lawyer McCullen to cover a check unrelated to the bankruptcy, and then concealed that transfer. Ginn and McCullen returned the money to the bankruptcy estate but allegedly tried to cover up the true purpose of the transaction.

**Catherine Linda Moreno**, a/k/a Kay Bruckner, age 65, of **Cerritos, Calif.**, was charged on August 23 in the **Central District of California** with using a false Social Security number in her two bankruptcy cases.

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